



# TEAMSTERS LOCAL UNION 77

SUPPLEMENTAL PENSION FUND

P.O. Box 9 • COLLINGSWOOD, NJ 08108

**TO: PARTICIPANT ELIGIBLE FOR FUND DISTRIBUTION**

Enclosed is the application you have requested. During your employment, contributions were made on your behalf, at no cost to you, to the Teamsters Local Union 77 Supplemental Pension Fund. Under the terms of the Plan, you are now eligible to make application for distribution of your vested benefits. The Plan's vesting provisions state that a Participant becomes 100% vested if "...contributions have been made on his/her behalf for at least 36 months covering a total of at least 3,600 hours."

Although you have terminated employment, you may continue participation in the Fund and benefit from the tax deferred investment results. If you wish to continue participation, you do not need to return the attached forms. If you want to request a full or partial distribution of your account at this time, please complete and return the enclosed **Participant Request for Benefits Form** and, if applicable, the **Participant Optional Distribution Form** with your elections. A retired or terminated Participant's request for a partial distribution (of at least \$500) may not be made more frequently than once in a calendar quarter, but an application for payment of his or her remaining account balance may be made at any time.

Please be aware the Fund may take up to 90 days to process your application.

Failure to return your original fully completed forms will delay the processing of your benefit payment. Faxed copies are not acceptable.

For further information and clarification concerning your benefits, and your rights to such benefits, please refer to your Summary Plan Description, which is not the entire Plan document but only a summary of the Plan. You may find a copy on the Plan's website [www.77.asp-benefits.com](http://www.77.asp-benefits.com). Please contact us with any questions at 856-382-2496 Option 2.

Sincerely,

The Benefit Department  
Administrative Service Professionals, Inc.  
Fund Manager

Enclosures: Participant Request for Benefits form  
Participant Optional Distribution Form  
Special Tax Notice Regarding Plan Payments

**PARTICIPANT REQUEST FOR BENEFITS**

[ Please Print Clearly or Type ]

Member Name:		Birth Date:	/ /
Social Security #:		Termination Date:	/ /
Street Address:		Fund Employer:	
City:		Marital Status:	<input type="checkbox"/> Married <input type="checkbox"/> Single
State & Zip Code:		<input type="checkbox"/> Divorced	Date: / /
Home Phone #:		<input type="checkbox"/> Widowed	Date: / /
Cell Phone #:		<input type="checkbox"/> Legal Separation	Date: / /

**REASON FOR REQUEST FOR BENEFITS [CHECK ONE BOX]:**

- Resigned • Discharged • Laid Off • Retirement • Other: \_\_\_\_\_ [CIRCLE ONLY ONE]
- Participant Death [ Exact Date ] \_\_\_\_\_ ; The Fund must receive an original Participant’s death certificate.

**DISTRIBUTION AMOUNT REQUESTED [CHECK ONE BLOCK]:**

- Distribution of My Total Account Balance
- Partial Distribution (\$500 minimum): \$ \_\_\_\_\_ [INSERT AMOUNT]

**DISTRIBUTION OPTIONS OF PARTICIPANT OR BENEFICIARY - Please read the attached *Special Tax Notice Regarding Plan Payments* before making your election [CHECK ONE BLOCK]:**

- I request to have a Lump Sum Distribution paid directly to me less the mandatory 20% federal income tax withheld (on payments of at least \$200) in accordance with IRS regulations.
- I request that my distribution be paid as a Direct Rollover to an eligible Individual Retirement Account (IRA) or another qualified pension plan in accordance with IRS regulations. No federal income taxes will be withheld. The proceeds must be payable to the IRA custodian or the trustee of the plan. The attached **PARTICIPANT OPTIONAL DISTRIBUTION FORM, SECTION “A”** must also be fully completed, signed, and dated (all information must be provided).
- I request the Fund purchase an annuity from an insurance company, who will be responsible for paying my benefit in the form of monthly annuity payments in accordance with IRS regulations. The attached **PARTICIPANT OPTIONAL DISTRIBUTION FORM, SECTION “B”** must also be fully completed, signed, and dated (all information must be provided). The proceeds will be paid as stated on Section “B”.

**SIGNATURES AND ACKNOWLEDGEMENT**

By signing below,

- I understand that all payments to which I am entitled under the Plan will be made in accordance with the rules of the Plan. I further understand that the Plan's vesting provisions state that a Participant becomes fully vested if, “...contributions have been made on his/her behalf for a period of at least 36 months covering a total of at least 3,600 hours”, which may affect my eligibility for such Plan benefits.
- I state under penalty of perjury under the laws of the United States, that the information provided with this form and acknowledgment is true and correct to the best of my knowledge and belief. I understand that the Plan may deny me any benefits and seek repayment of any amounts paid by reason of erroneous information.
- I have received and read the *Special Tax Notice Regarding Plan Payments* and hereby make the above election. I understand that all signatures must be notarized where stated, and that original forms must be provided. Faxed copies are not acceptable.

Signed and Sworn before me

\_\_\_\_\_, 20\_\_\_\_

Participant

Signature \_\_\_\_\_ NOTARY PUBLIC \_\_\_\_\_

**FOR FUND USE ONLY:**

Valuation Date: \_\_\_\_\_ Balance: \_\_\_\_\_ IRS Dist Code: \_\_\_\_\_  
Date in Plan: \_\_\_\_\_ Vested: \_\_\_\_\_  
ER Term Date: \_\_\_\_\_ PAF: \_\_\_\_\_

**PARTICIPANT OPTIONAL DISTRIBUTION FORM**

**NOTICE OF FEDERAL INCOME TAX WITHHOLDING ON DISTRIBUTIONS FROM A PENSION FUND**

A pension benefit payable to you from the Teamsters Local Union 77 Supplemental Pension Plan is subject to a 20% withholding for Federal Income Tax. You may avoid withholding this Tax if you elect a Direct Rollover of your benefits directly to an Individual Retirement Account (IRA) or another qualified pension plan that is willing to accept the rollover.

If you do not check a Distribution Option on the **Participant Request for Benefits** form, we will assume you have elected a lump sum distribution and Federal Income Taxes will be withheld from the taxable portion of your pension benefit. If you do not have enough Federal Income Taxes withheld from your pension payment, you may be responsible for payment of estimated taxes. You may incur penalties if your withholding or estimated tax payments are not sufficient. Please read the attached **Special Tax Notice Regarding Plan Payments** before electing your payment option.

**YOU SHOULD CONTACT YOUR TAX OR LEGAL ADVISOR FOR SPECIFIC ADVICE REGARDING YOUR CIRCUMSTANCES.**

**IF SELECTING OPTIONAL DISTRIBUTION – PLEASE COMPLETE THE APPROPRIATE SECTION BELOW**

**A. ELECTION FOR DIRECT ROLLOVER TO IRA OR QUALIFIED PENSION PLAN**

**INSTRUCTIONS:** If you want the Fund to pay your distribution directly to an IRA rollover custodian or the Trustee of a qualified pension plan willing to accept the transfer, no Federal Income Taxes will be withheld from your pension payments. Check the box, provide all information requested, sign and date this election and return with the **Participant Request for Benefits** form. If you list an ineligible IRA Custodian, taxes will be withheld and payment will be made directly to you.

I am electing to make a Direct Rollover of the taxable portion of my distribution to **[CHECK ONLY ONE]**:

an eligible IRA custodian, or  a qualified pension plan.

This distribution is a Direct Rollover in accordance with IRS regulations; therefore, Federal Income Taxes will not be withheld from my pension distribution. I hereby represent that the recipient account/plan is eligible to receive this transfer. The proceeds must be paid to the IRA custodian as stated below:

Pay To (IRA Custodian):

Account #:	_____	Mail To:	_____
Attention of:	_____		_____
Phone #:	_____		_____

**B. ELECTION FOR MONTHLY ANNUITY PAYMENTS**

**INSTRUCTIONS:** If you elect to receive your Plan benefit in the form of a monthly annuity, such annuity will be purchased for you from a registered life insurance company. The amount of the monthly annuity will be equivalent in value to your distribution, as determined by the insurance company based on its current annuity rates. The value of your distribution must be sufficient to satisfy the insurance company's minimum transfer requirements. Once an annuity is purchased for you, the insurance company will be responsible for paying your benefit. Any elections regarding the withholding of federal income taxes from your monthly annuity payments will be made with the insurance company. **[CHECK ONLY ONE]**:

As the Participant, I elect that the Fund transfer my distribution to the insurance company to purchase my Annuity.

I, the Participant, will purchase the Annuity and take full responsibility for all terms and conditions of the Annuity.

Pay To:	_____	Mail To:	_____
Account #:	_____		_____
Attention of:	_____		_____
Phone #:	_____		_____

**PRINT NAME** \_\_\_\_\_ **SOCIAL SECURITY #** \_\_\_\_\_

**SIGNATURE** \_\_\_\_\_ **DATE** \_\_\_\_\_

## Local 77 Supplemental Pension Fund Interest Election Form

Interest Option – Any participant who severs their employment prior to June 30th of any Plan Year will receive their account balance as of the previous July 1st, plus any contributions received to the date of his/her severance. NO interest allocation will be applied for the Plan Year. However, the participant may elect to maintain their account until June 30th following his/her severance of employment in which case their account will be credited with gains and/or losses for that year.

Please Select One Box regarding the Interest Option:

- No – I want to receive my calculated equity account balance as of the date of my severance. I realize that there will be no interest credited applied for the Plan Year.
- Yes – I want to maintain my equity account through June 30th of this year at which time my account will be credited with interest for this year. I understand I will have to wait until September for my payout under this option.

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Signature of Employee

Print Name

Date

**\*\* Please return this form along with your application.**

## **SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS**

### **YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of a payment you are receiving from the **Teamsters Local Union 77 Supplemental Pension Plan** (the “Plan”) is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the “General Information About Rollovers” section. Special rules that only apply in certain circumstances are described in the “Special Rules and Options” section.

### **GENERAL INFORMATION ABOUT ROLLOVERS**

#### **How can a rollover affect my taxes?**

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

#### **Where may I roll over the payment?**

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

#### **How do I do a rollover?**

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

#### **How much may I roll over?**

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations

- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

**If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?**

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

**If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?**

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after

you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

### **Will I owe State income taxes?**

This notice does not describe any State or local income tax rules (including withholding rules).

### **SPECIAL RULES AND OPTIONS**

#### **If your payment includes after-tax contributions**

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

#### **If you miss the 60-day rollover deadline**

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

#### **If your payment includes employer stock that you do not roll over**

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

#### **If you have an outstanding loan that is being offset**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be

taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

**If you were born on or before January 1, 1936**

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

**If your payment is from a governmental section 457(b) plan**

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an “unforeseeable emergency” and the special rules under “If your payment includes employer stock that you do not roll over” and “If you were born on or before January 1, 1936” do not apply.

**If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance**

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

**If you roll over your payment to a Roth IRA**

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), and IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).

**If you do a rollover to a designated Roth account in the Plan**

You cannot roll over a distribution to a designated Roth account in another employer’s plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover).

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to



a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies).

### **If you are not a plan participant**

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

**If you are a surviving spouse.** If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

**If you are a surviving beneficiary other than a spouse.** If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

### **If you are a nonresident alien**

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

### **Other special rules**

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without

consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*.

#### **FOR MORE INFORMATION**

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.